

WISCONSIN'S EXTREME RACIAL DISPARITY

*Vast Chasm Separates Educational and Economic Realities
of Whites and African Americans in the State
December 2013*

Wisconsin has the regrettable distinction of ranking among the worst states in the nation in terms of racial equality. Various aspects of the disparity – from education to jobs and income to incarceration – have been documented consistently for more than a decade. Still too few in Wisconsin understand the way that Wisconsin's racial inequality is, in fact, dramatically more pronounced than in other states.

Here we pull together a range of data from public sources to make the racial disparities in the state clear. Brutal inequities in the state span measures of poverty, unemployment, educational attainment, and incarceration.

Wisconsin's racial inequality is generally the result of both the relatively good outcomes for Wisconsin's white population and worse-than-national outcomes for the African American population. The disparity is not inevitable. Indeed, thirty years ago the state generated much better economic outcomes for African Americans, a population group that did better in the state than the national average. Opportunities and outcomes have diverged however to the disturbing chasm that now confronts the state.

The vitality of our economy, the prosperity of our state, and the health and well-being of all our communities are threatened by the racial disparity that plagues Wisconsin. We hope that this litany of outcomes can contribute to a sense of context and urgency, and help promote attention to these issues. In particular, this report seeks to aid the efforts of so many across the state organizing, strategizing and working to close the gap.

Wisconsin Researchers Target Racial Disparity

Recent reports on racial disparity in Wisconsin have addressed black male employment in Milwaukee, Wisconsin's incarceration rates, and baseline indicators of racial disparity in Dane County. For more information see:

1. *Race to Equity: A Baseline Report on the State of Racial Disparities in Dane County*, by the Race to Equity Project, 2013.
2. *Wisconsin's Mass Incarceration of African American Males: Workforce Challenges for 2013*, by John Pawasarat and Lois M. Quinn at the Employment and Training Institute, University of Wisconsin–Milwaukee, 2013.
3. *Race and Male Employment in the Wake of the Great Recession: Black Male Employment Rates in Milwaukee and the Nation's Largest Metro Areas 2010*, by Marc V. Levine at the University of Wisconsin–Milwaukee Center for Economic Development, 2010.

About COWS

Based at the University of Wisconsin–Madison, COWS is a national think-and-do tank that promotes “high road” solutions to social problems. These treat shared growth and opportunity, environmental sustainability, and resilient democratic institutions as necessary and achievable complements in human development. COWS is nonpartisan but values-based. We seek a world of equal opportunity and security for all.

ECONOMIC DISPARITY

Unemployment

Adults actively seeking work but without a job are “unemployed.” Thus, unemployment rates measure a critical component of economic opportunity – can job seekers find work. The answer to that question is widely disparate by race in Wisconsin, as the second row on Table 1 makes clear.

In 2012, the African American unemployment rate in the state was 19 percent, an extremely high level. Nearly one-in-five black workers – a level calling to mind this nation’s Great Depression -- were unemployed. At the same time, just 6 percent of the white workforce was unemployed. The disparity – blacks three times more likely than whites to be unemployed – is exceeded by just two states in the nation (Nebraska and Iowa). (A separate national data source - which pools data from 2009 to 2011 - confirms our third place in the national ranking, though the levels are slightly different. These are shown on the third line of Table 1.)

table 1

RACIAL DISPARITY IN ECONOMIC OPPORTUNITY 2009-2011: WISCONSIN VS. OTHER U.S. STATES

Index	WISCONSIN					WISCONSIN VS. OTHER STATES			
	State overall	Blacks	Whites	Blacks/Whites ratio (except for income, for which absolute difference whites-blacks in dollars is shown)	Ranking among US states (First is worst) (*)	Best		Worst	
						State	Ratio	State	Ratio
Total Population	5,690,898	348,535	4,738,390						
Unemployment Rate (2012 measure from CPS) (**)	7.1%	19.3%	5.9%	3.27	3	Colorado	1.38	Nebraska	4.16
Unemployment rate (pop. 16 years and over)	5.7%	13.3%	5.0%	2.66	3	Alaska	1.28	Nebraska	3.28
Labor Force Participation (pop. 16 years and over)	68.4%	60.7%	68.7%	0.88	1	Hawaii	1.15	Wisconsin	0.88
Median Household income	51,009	26,222	53,499	27,277	5	West Virginia	11,224	Connecticut	33,386
Poverty rate: All Families	8.8%	35.0%	6.1%	5.74	2	Hawaii	1.34	Minnesota	6.46
Poverty rate: children under 18 years	18.2%	50.3%	11.4%	4.41	4	Hawaii	1.18	Connecticut	5.49
Individuals with NO health insurance	9.2%	14.0%	7.4%	1.89	9	Hawaii	0.73	Minnesota	2.23

* 42 states are included in the rankings. States not included due to lack of data are: Idaho, Maine, Montana, New Hampshire, North Dakota, South Dakota, Vermont, Wyoming.

** Ranking in this case includes 35 states. States excluded are Alaska, Arizona, Hawaii, Idaho, Maine, Montana, New Hampshire, New Mexico, North Dakota, Oregon, South Dakota, Utah, Vermont, West Virginia, and Wyoming.

Source: COWS calculations based on 2009-2011 American Community Survey 3-Year Estimates data, Census Bureau. Table S0201: Selected population profile in the U.S. The Unemployment data for 2012: Economic Policy Institute analysis of Current Population Survey data

Labor Force Participation

If adults are working or looking for work they are “in the labor force”. The labor force participation rate for any population provides a benchmark on how connected that population is to economic opportunity and jobs. In Wisconsin, racial disparity in labor force participation is the widest in the nation (Table 1, line 4).

Labor force participation for African Americans in Wisconsin is 61 percent while whites post a rate of 69 percent. The disparity between these two rates of labor force participation – .88 is the ratio of black to white labor force participation – is the **largest African American relative deficit in labor force participation in the nation**.

Unlike unemployment, where African American rates exceed white rates in every single state, African American labor force participation does not always lag behind white labor force participation. In fact, in 16 states black labor force participation was equal to or higher than white labor force participation. In the remaining 26 states (of the 42 for which there are sufficient data to compare white and black outcomes) black rates fell below white rates, with Wisconsin showing the largest gap.

Median Household Income

Median household income measures the economic resources of households and provides another disturbing view of racial disparity in Wisconsin. The median white household has annual income of just over \$53,000. The median African American household annual income of \$26,000 is less than half the white level. (See Table 1, line 5.)

The racial disparity of household income in Wisconsin is \$27,000. In only four states in the nation do African American households lag farther behind their white neighbors.

Poverty Rate: All Families and Children

The federal poverty line provides our best benchmark on families living with insufficient resources to meet basic needs. The poverty line is adjusted for family size and, currently \$23,283 for a family of four (two adults and two children), is thought by many to be too meager to be meaningful. Even so, it is a consistent standard that helps make clear where income is simply too low to make ends meet.

The poverty rate for African American families in Wisconsin – 35 percent – should be a wake-up call for the state. More than one-in-three African American families live in poverty. Only Iowa has a higher rate of African American poverty. Further, our white poverty rate is nowhere near the worst in the nation. Six percent of the state’s white families are confronted by poverty. **The Wisconsin’s black families are 5.7 times more likely than white families to live in poverty: the second highest disparity in the nation.** (See Table 1, line 6.)

Turning our attention to children under 18 years old is more troubling. More than half of African American children in the state live in poverty. More than half in poverty: the highest black child poverty rate in the nation. Black children in the state are 4.4 times as likely as white children to live in poverty. Only three states post disparity in excess of that ratio. (See Table 1, line 7.)

Lack of Health Insurance

Wisconsin has traditionally had high levels of health insurance both because our employers are more likely to provide health insurance and because our public programs have provided a strong safety net of insurance for those outside the employer provided system. However, health care is in a state of flux with pressures that will increase insurance coverage (through the federal Affordable Care Act) and decrease coverage (through the state’s rejection of Medicaid expansion).

Still, Wisconsin is building on (and/or undermining) a relatively strong health insurance system. With its comprehensive state health insurance system, Massachusetts has the lowest rate of non-insurance in the nation.

Wisconsin's overall rate of non-insurance – 9.2 percent of the population goes without health insurance – is relatively low (only 6 states have lower rates).

Notably, this is one area where Wisconsin's racial disparity, while significant, is not among the very worst in the nation, though we are still in the “bottom 10”. African Americans are nearly twice as likely as Wisconsin whites to go without health insurance (14 percent vs. 7.4 percent). (See Table 1, line 8.)

EDUCATIONAL DISPARITY

Both the result of economic disparity and a predictor of economic disparity in the future, educational disparity by race is also pronounced in Wisconsin. Here, and presented in Table 2, we focus on three key indicators, though others show similarly stark disparities.

High School Completion

Looking first to the adult population (age 25 and older), we show the share of that population that has completed high school. This is another area where the white population in the state performs fairly well – more than 92 percent of white adults in the state complete education through a high school degree or more. This compares to 79 percent of African Americans in the state at a similar level of education.

The ratio between African American and white rates of high school completion in the adult population is the second highest in the nation. Only Minnesota posts greater racial disparity. (See Table 2, line 1.)

Eighth Grade Math Scores

Eighth grade math is tested and comparable across the nation. Here again, whites in Wisconsin perform relatively well (ranking 17th among the states) while African American eighth graders rank 37th for the 44 states with rankings. This leaves us with considerable disparity by race – Wisconsin presents the biggest racial disparity in the country in terms of Math Scores gap.

table 2

RACIAL DISPARITY IN EDUCATION 2009-2010: WISCONSIN VS. OTHER U.S. STATES

Index	WISCONSIN					WISCONSIN VS. OTHER STATES			
	State overall	Blacks	Whites	Blacks/Whites ratio (except for math scores, for which absolute difference whites-blacks in dollars is shown)	Ranking among US states (First is worst)	Best		Worst	
						State	Ratio	State	Ratio
Educational attainment (pop. 25 years and over): High school graduate or higher ^(*)	90.1%	79.4%	92.3%	0.86	2	West Virginia	1.02	Minnesota	0.84
Eighth Grade Math Scores^(*)	289	256	295	-39.24	1	Hawaii	-12.73	Wisconsin	-39.24
Graduation Rate	91%	66%	96%	0.69	3	Vermont	1.11	Nebraska	0.65
Dropout Rate	2%	7.5%	1.2%	6.25	1	Vermont	0.63	Wisconsin	6.25

^{*} COWS calculations based on 2009-2011 American Community Survey 3-Year Estimates data, Census Bureau. Table S0201: Selected population profile in the U.S.

^{*} Ranking for Eighth Grade Math Score based on 43 states for which data by race group is available. States not included in the ranking are Idaho, Montana, New Hampshire, North Dakota, Utah, Vermont, and Wyoming.

Note that rankings do not include the District of Columbia.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), “State Dropout and Completion Data File,” 2009-10; and “State Nonfiscal Survey of Public Elementary/Secondary Education,” 2005-06, 2006-07, and 2007-08. (This table was prepared November 2012.)

High School Graduation and Dropout Rates

Wisconsin's racial disparity of graduation and dropout rates is striking. Again this is partly due to the good results for whites in our state. Indeed, at 96 percent, Wisconsin has the highest white graduation rate in the nation. At the same time, Wisconsin's African American graduation rate is 66 percent meaning that one-in-three black students in the state do not graduate on schedule, while nearly all white students do. Wisconsin's black graduation rate is 30th in the nation.

When it comes to racial disparity, only two states post greater disparity in graduation rates.

Dropout rates paint an even more disturbing picture. Only 1.2 percent of whites in the state dropout compared to 7.5 percent of African Americans. (This measure compares all 9-12 graders who dropped out in 2009-10.) No state came anywhere near this level of disparity. Wisconsin's dropout disparity by race is the highest in the nation.

INCARCERATION DISPARITY

Pawasarat and Quinn's 2013 study of mass incarceration reveals harrowing rates of incarceration of African American males in Wisconsin. Using data from the 2010 Census, they find Wisconsin posts the highest black male incarceration rate in the nation at 12.8 percent. (See Table 3, below.) This is nearly double the national rate of 6.7 percent. Wisconsin's rate of white male incarceration hovered just below the national rate at 1.2 percent. In Wisconsin, then, black males are more than ten times more likely than white males to serve time in a state prison or local jail. Oklahoma, the state with the second highest rate of African American male incarceration (9.7) demonstrates significantly less disparity, incarcerating one white male for every four black.

table 3

INCARCERATION DISPARITIES: 2010 US CENSUS DATA

WISCONSIN					WISCONSIN VS. OTHER STATES			
	Blacks	Whites	Black/ White Ratio	Ranking	Best		Worst	
					State	Ratio	State	Ratio
Incarceration in State & Local Facilities	12.8%	1.2%	10.7	2	Hawaii	2.0	Minnesota	11.6
					New Mexico	2.8	Wisconsin	10.7
					Mississippi	3.1	Iowa	10.4
					Alaska	3.3	Illinois & Connecticut	9.7
					Alabama & Georgia	3.4	Vermont	9.3

Adapted from Pawasarat & Quinn, *Wisconsin's Mass Incarceration of African American Males: Workforce Challenges for 2013*.

CONCLUSION

These statistics present the state with a number of challenges. Wisconsin's first challenge is to direct increasing attention to the scale of racial disparity in the state. Too few in our state understand the size of the chasm. But a second critical challenge is to also understand that this disparity is not immutable. In the 1970s Wisconsin was a relatively good state for African Americans. As a state we can make choices that will help close the current economic and educational gaps. The third challenge is to act in our schools and communities to extend opportunity to all Wisconsin residents.

For decades, leaders of all races and from all across Wisconsin have taken on the evident racial disparity in the state. But too few. At COWS we hope this document will not discourage people, but rather help support efforts for equality and help build a growing awareness and policy agenda to confront our leading status in racial disparity. There is no silver bullet to build greater equality in Wisconsin. But informed leaders must develop policies and strategies with closing this gap in mind. Whether the focus on funding and resources for kids in schools, or two generation strategies that help kids with school even as they extend economic opportunity to parents, or new approaches to juvenile justice, we hope that this data will help support leaders across the state as they seek to grapple with and close the gap.